

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
December 8, 2005**

I. CALL TO ORDER

Chairman Haycock called the meeting to order from the Las Vegas location at 10:00 a.m. The meeting was conducted via videoconference with locations in Las Vegas at University of Nevada Cooperative Extension located at the Learning Center Room B, and in Carson City at Western Nevada Community College at the Cedar Building Room 308.

A. BOARD MEMBERS PRESENT - Present in Carson City were, Mr. Edgar Roberts; Ms. Linda Bowman; Mr. Mike Miller; Mr. Leo Drozdoff; and, Mr. Ken Tyler.

Others present were Mr. Gil Cerruti; Ms. Victoria Joncas of NDEP; and representatives from Broadbent and Associates Mr. Scott Keesey; and from Allied Washoe Mr. Mike Cox, and Mr. Glenn Hibl.

BOARD MEMBERS PRESENT – Present in Las Vegas were, Mr. John Haycock (Board Chairman); Ms. JoAnne Blystone; Mr. David Newton from the Attorney General's Office.

Others present were Ms. Kimberly Felton, a staff member in the Las Vegas Office; and, representatives from Stewart Environmental Mr. Keith Stewart; from Broadbent and Associates, Mr. Kirk Stowers; and, from ATC Associates Inc., Mr. Rex Hepe.

II. APPROVAL OF THE AGENDA

Mr. Cerruti announced that there are two minor corrections to the agenda. Under roman numeral V, Consent Items, there has been an increase to the amount staff is recommending for reimbursement for Heating Oil item #3, the Former Elko County Hospital and, under Old Cases item #63, Gold Ranch Casino 2.

An errata sheet for each of these two cases has been passed out to Board members indicating the revisions.

Also, a revised Requested Amount Sheet that takes into account these two changes has been passed out. The revised total amount that staff is recommending for reimbursement today is approximately \$1,759,610 dollars.

There are no other corrections to the agenda.

Ms. Blystone moved to approve the agenda as amended. Ms. Bowman seconded the Motion. Motion carried unanimously.

III. APPROVAL OF THE SEPTEMBER 27, 2005 MINUTES

Ms. Blystone moved to approve the Minutes. Mr. Miller seconded the Motion. Motion carried unanimously.

IV. STATUS OF THE FUND

Mr. Cerruti reported that no petroleum fee funding has been received for this fiscal year. The collection of these funds was turned off in July 2005. There is a balance carry forward in the Fund of \$13,000,000 from fiscal year 2005. A check in the amount of \$1,356. was also received. The reimbursed claims total of approximately \$2,000,000 together with the liabilities transferred out of the Fund to other agencies, such as DMV, leave a remaining Fund balance of approximately \$10,000,000, which may be used for the reimbursement of today's claims. The claims being presented today total approximately 1.8 million dollars. Mr. Cerruti stated that the Fund balance would be reduced by approximately two million dollars for each of the next two meetings throughout fiscal year 2006. The forecast for the balance remaining in the Fund at the end of the 2006 fiscal year is between four and five million dollars. This will probably bring the Fund amount below the statutory level of five million dollars. At this point, the three-quarters-of-a-penny per gallon fee on fuel will be reinstated.

V. ADOPTION OF CONSENT ITEMS

The consent agenda consists of:

<u>HEATING OIL</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>
1.#	1992000102H	Lyon Co. School District: Yerington Elementary	\$5,644.92	\$5,590.32
2.#	2005000016H	Univ. of NV, Reno: Former Bishop Manogue H.S.	\$6,634.48	\$5,327.08
3.#	2006000001H	Elko Co. School Dist.: Former Elko Co. Hospital	\$125,844.40	\$104,892.06
4.#	2006000003H	Greg McCoy: McCoy Property	\$7,833.36	\$7,583.36
HEATING OIL SUB TOTAL:			<u>\$145,957.16</u>	<u>\$123,392.82</u>

<u>NEW CASES, OTHER PRODUCTS</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>
1.#	1997000008	Jay Ewing: Ewing Brothers, Inc.	\$16,684.50	\$15,016.05
2.#	2005000010	Great Basin College Foundation: Fallon Shell	\$15,366.43	\$13,829.79
3.#	2005000044	Jay Ewing: Ewing Brothers, Inc.	\$15,855.00	\$12,633.97
NEW CASES SUB TOTAL:			<u>\$47,905.93</u>	<u>\$41,479.81</u>

<u>OLD CASES</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>
1.#	1991000030	Tom Hom Group: Fitzgerald Properties	\$0.00	\$5,835.00

OLD CASE: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>
2.#	1991000039	7-Eleven, Inc.: 7-Eleven #29643	\$11,085.79	\$11,076.79
3.#	1991000059	BP West Coast Products LLC: ARCO #2137	\$2,561.51	\$2,561.51
4.#	1992000014	BP West Coast Products LLC: ARCO #6068	\$6,114.28	\$6,106.78
5.#	1992000034	PDQ Stores, Inc.: PDQ #508	\$3,264.04	\$3,253.98
6.#	1992000062	Allied Washoe: Allied Petroleum - Elko	\$14,047.89	\$14,047.89
7.#	1992000087	Anderson Dairy, Inc.: Anderson Dairy	\$16,190.77	\$16,145.77
8.#	1993000047	Rebel Oil Company: Joe's Auto	\$14,521.14	\$14,215.29
9.#	1993000051	BP West Coast Products LLC: ARCO #4950	\$9,662.70	\$9,662.70
10.#	1993000102	Rebel Oil Company: Rebel #8	\$28,065.04	\$28,057.31
11.#	1993000103	Russell Yardley: Charlie Brown Construction	\$12,589.95	\$12,338.15
12.#	1993000107	BP West Coast Products LLC: ARCO #5310	\$7,180.67	\$7,173.17
13.#	1993000114	Linda Hansen: Zintek Properties	\$3,434.36	\$3,434.36
14.#	1993000115	City of Fallon: Former Bootlegger Texaco	\$11,428.36	\$6,670.78
15.#	1993000126	Cortez Gold Mines: Mill Site - Crescent Valley	\$36,733.98	\$16,806.67
16.#	1994000003	Allied Washoe: Allied Petroleum - Reno	\$48,089.02	\$31,254.85
17.#	1994000012	American Mart Corp.: DeLuca Liquor & Wine	\$51,290.01	\$54,287.69
18.#	1994000065	Avis Rent A Car Systems: Avis Rent A Car	\$32,790.38	\$32,790.38
19.#	1994000067	Peppermill Casinos, Inc.: Fmr. Mesquite Truckstop	\$93,426.05	\$91,966.89
20.#	1994000079	USA Petroleum Corp.: Former Express Gas	\$7,566.50	\$7,459.50
21.#	1994000086	Falconi Motors, Inc.: Falconi's Tropicana Honda	\$15,820.45	\$15,820.45
22.#	1994000120	Conoco Phillips Company: Union 76 #3846	\$23,861.85	\$21,422.71
23.#	1994000122	Gary Michelson: Mike's Gas-A-Mart	\$25,356.18	\$15,437.20
24.#	1994000125	Conoco Phillips Company: Union 76 #5558	\$16,787.63	\$16,787.63
25.#	1995000012	Model T Casino: Parkers Model T	\$17,215.00	\$15,437.52
26.#	1995000022	Conoco Phillips Company: Union 76 #4370	\$7,090.23	\$7,090.23
27.#	1995000028	Gita Corporation: Gita Corporation Facility	\$6,717.75	\$6,045.97
28.#	1995000029	BP West Coast Products LLC: ARCO #1903	\$4,757.95	\$4,282.15
29.#	1995000042	FBF, Inc.: Fayeghi Texaco	\$12,163.78	\$10,947.39
30.#	1995000074	Vera Hester: Glendale Service Facility	\$11,544.73	\$10,390.26
31.#	1995000080	Churchill Co.: Churchill Co. Road Department	\$5,727.55	\$3,434.13
32.#	1995000094	Harrah's Operating Company: Caesar's Tahoe	\$94,227.00	\$67,120.65
33.#	1995000105	Redman Petroleum Corp.: Redman Petroleum	\$5,937.19	\$5,343.47
34.#	1996000026	Moapa Valley Credit Union: Former Russ Auto	\$18,051.11	\$12,996.80
35.#	1996000058	Bill Abdul: The Country Store	\$4,610.66	\$4,139.47
36.#	1996000063	Joan Pennachio: V&V Automotive	\$10,566.24	\$9,509.62
37.#	1996000101	Conoco Phillips Company: Circle K #695	\$22,451.53	\$20,206.37
38.#	1997000024	BP West Coast Products LLC: ARCO #399	\$11,410.88	\$10,259.52
39.#	1997000038	Shell Oil Products USA: Former Keystone Shell	\$16,614.68	\$13,707.99
40.#	1997000061	Berry-Hinckley Industries: Berry-Hinckley #60	\$2,876.00	\$2,588.40
41.#	1997000093	Conoco Phillips Company: Union 76 #5257	\$13,460.31	\$7,268.57
42.#	1998000016	Conoco Phillips Company: Circle K #1366	\$13,754.51	\$12,379.06
43.#	1998000025	Washoe Co. School Dist.: Getto Transportation	\$11,220.23	\$8,152.44
44.#	1998000046	N. & D. Willden: Allstate Rent A Car	\$22,736.99	\$19,126.79
45.#	1998000059	7-Eleven, Inc.: 7-Eleven #29661	\$26,240.60	\$23,613.53
46.#	1998000068	Conoco Phillips Company: Conoco #28003	\$11,663.66	\$10,497.30
47.#	1998000073	City of Reno: Reno Police Station	\$10,786.48	\$10,786.48
48.#	1998000075	Robert Dufferena: McDermitt Service & Motel	\$7,195.44	\$6,383.28

OLD CASES: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>
49.#	1998000080	Seven Crown Resorts: Echo Bay Resort	\$10,313.12	\$9,277.31
50.#	1999000011	Terrible Herbst Oil Co.: Terrible Herbst #133	\$28,876.83	\$25,707.06
51.#	1999000012	BP West Coast Products LLC: ARCO #5319	\$6,165.22	\$3,329.22
52.#	1999000015	Terrible Herbst Oil Co.: Terrible Herbst #144	\$34,673.11	\$29,745.10
53.#	1999000017	Reed Distributing: Reed R-Place Shell	\$17,696.40	\$15,926.76
54.#	1999000022	Terrible Herbst Oil Co.: Terrible Herbst #129	\$37,388.06	\$31,584.65
55.#	1999000029	Terrible Herbst Oil Co.: Terrible Herbst #136	\$45,027.37	\$40,276.14
56.#	1999000048	Cowan Estate: Former Lightning Lube	\$26,270.98	\$18,603.71
57.#	1999000061	Rich Sorani: Former Rich's Unocal	\$36,894.68	\$33,205.21
58.#	1999000066	Haycock Petroleum Company: Haycock Petroleum	\$12,708.20	\$11,437.38
59.#	1999000086	Terrible Herbst Oil Co.: Terrible Herbst #126	\$39,596.01	\$35,548.33
60.#	1999000089	Jerry Maeder: Jerry's Chevron	\$10,561.50	\$9,505.35
61.#	1999000090	Haycock Petroleum Company: Haycock Petroleum	\$9,985.72	\$8,987.15
62.#	1999000104	Terrible Herbst Oil Co.: Terrible Herbst #118	\$59,226.63	\$51,505.79
63.#	1999000108	Gold Ranch Casino: Gold Ranch Casino	\$22,591.69	\$20,332.52
64.#	1999000117	Berry-Hinckley Industries: Berry-Hinckley #45	\$7,640.57	\$6,876.51
65.#	1999000135	Terrible Herbst Oil Co.: Terrible Herbst #106	\$41,880.06	\$35,566.25
66.#	1999000137	Terrible Herbst Oil Co.: Terrible Herbst #152	\$50,225.68	\$45,087.91
67.#	1999000145	Jerry Appelhans: Gagne Coach Maintenance	\$4,583.38	\$4,125.04
68.#	1999000155	Varney Padgett: Old Washoe Station	\$11,691.58	\$10,522.42
69.#	1999000162	Terrible Herbst Oil Co.: Terrible Herbst #159	\$34,643.35	\$30,369.27
70.#	1999000167	City of Las Vegas: Fire Station #1	\$6,340.33	\$5,706.30
71.#	1999000182	Berry-Hinckley Industries: W. Mountain Oil #200	\$6,215.44	\$5,593.90
72.#	1999000186	Gloria Pilger: Former D&G Oil Facility	\$16,005.72	\$14,358.49
73.#	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$22,648.66	\$20,815.62
74.#	1999000204	Berry-Hinckley Industries: Trailside General Store	\$29,791.27	\$26,337.84
75.#	1999000224	BP West Coast Products LLC: ARCO #5326	\$2,187.07	\$1,776.01
76.#	1999000237	Ralph Lisle: Beatty General Store	\$17,214.05	\$14,167.64
77.#	1999000239	Callville Bay Marina: Callville Bay Marina	\$20,868.36	\$18,714.02
78.#	1999000242	Harjit Singh: S&S Deli & Mini Mart	\$10,120.86	\$9,508.77
79.#	1999000248	Ron Holman: Southern Wine & Spirits	\$18,337.51	\$15,810.01
80.#	1999000252	Berry-Hinckley Industries: Winner's Corner #14	\$3,654.68	\$2,960.29
81.#	1999000257	University of Nevada: Newlands Agriculture	\$8,381.51	\$8,037.46
82.#	1999000273	V.K. Leavitt: The Waterhole	\$57,195.26	\$30,876.86
83.#	1999000275	Conoco Phillips Company: Circle K #1248	\$8,294.94	\$6,715.67
84.#	1999000276	Robert Harris: Pecos Station Texaco	\$9,134.55	\$8,221.10
85.#	2004000011	William Rodriguez: Four Way Truck Stop	\$0.00	\$4,476.22
86.#	2004000014	BP West Coast Products LLC: ARCO #437	\$32,137.02	\$28,923.32
87.#	2004000025	BP West Coast Products LLC: ARCO #1580	\$1,399.52	\$1,259.56
88.#	2004000027	BP West Coast Products LLC: ARCO #5309	\$1,535.13	\$1,381.62
89.#	2004000029	V-R Property Management: Gas-N-Save	\$15,700.54	\$12,002.72
90.#	2004000035	Seven Crown Resorts: Echo Bay Marina	\$12,735.31	\$11,453.10
91.#	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$53,000.22	\$47,687.26
92.#	2005000018	BP West Coast Products LLC: ARCO #1718	\$1,837.11	\$1,650.45
93.#	2005000021	Berry Hinckley Industries: Berry Hinckley #95	\$3,135.15	\$2,821.64

OLD CASES: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>
94.#	2005000025	Bordertown, Inc.: Winners Corner	\$5,872.83	\$5,285.55
95.#	2005000039	Time Oil Company: Taylor Street Market	\$7,948.32	\$64,356.40

	<u>REQUESTED</u>	<u>RECOMMENDED</u>
OLD CASES - SUB TOTAL:	<u>\$1,781,220.55</u>	<u>\$1,594,737.74</u>
CLAIMS TOTAL:	<u>\$1,975,083.64</u>	<u>\$1,759,610.37</u>

Where the "Requested Amount" is less than the "Recommended Amount", previously disallowed monies have been appealed.

Ms. Bowman stated that she would abstain from voting on items under section V, Old Cases, #6, #16, #18, #32, and #44, due to a conflict of interest. Chairman Haycock announced that he also would be abstaining under section V, Old Cases, #58 and #61.

Ms. Blystone moved for approval of consent items - Heating Oil Items #1 through #4, New Cases Items #1 through #3, and Old Cases Items #1 through #95. Mr. Miller seconded the Motion.

Motion carried unanimously, with Ms. Bowman abstaining from V #6, #16, #18, #32 and #44 and Chairman Haycock abstaining from V #58 and #61.

VI. EXECUTIVE SUMMARY

Mr. Cerruti reported 9 new cases have been received for evaluation since the beginning of fiscal year 2006. Since the beginning of the program, 1,263 cases have been reviewed. There are currently 256 active remediation cases, 890 have been closed, 101 have been denied coverage and 41 cases have expired (an initial claim was not submitted within 12 months from the date of discharge discovery and an appeal has not been filed). There are presently 37 awaiting additional information. To date, including this meeting, 123.5 million dollars have been reimbursed to owners and operators.

A. Recommendations for Petroleum Fund Coverage

Mr. Cerruti went over the Ewing Brothers case, #1997000008. He explained that the CEM for this claimant had left the responsible party with instructions to bale the well. The claimant had baled the well for many years and never submitted a claim for reimbursement. Coverage was granted on the basis that there was "good cause" for the delay in filing an initial claim.

Ms. Bowman inquired as to whether or not they had been advised by a CEM. Mr. Cerruti stated that they had.

Mr. Stewart of Stewart Environmental spoke out that he was in the process of putting a claim together for this case.

Mr. Cerruti went over the Petroleum Fund Enrollment Statistics. A total of 95.5% of the facilities invoiced have paid the \$100 per tank fee.

Ms. Bowman asked staff to provide Board members with a list of contacts of those that have not paid.

Mr. Cerruti replied that the requested list would be mailed to the Board members by December 20, 2005.

VII. PUBLIC FORUM

There were no individuals who desired to speak under Public Forum.

VIII. CONFIRMATION OF NEXT MEETING DATE

The next meeting date was set for Thursday, March 9, 2006. Mr. Cerruti commented that the meeting would be held in Carson City and video-conferenced on the proposed date.

Ms. Blystone moved to approve the meeting date. Ms. Bowman seconded the Motion. Motion carried unanimously.

IX. ADJOURNMENT

There being no further business, the meeting was adjourned by Chairman Haycock at 10:23 a.m.